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SIPDIS

SENSITIVE

NSC FOR SENIOR AFRICA DIRECTOR JFRAZER
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TREASURY FOR ED BARBER AND C WILKINSON

E.O. 12958: DECL: N/A

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SUBJECT: ASIAN/INDIAN COMMUNITY HAS A MUTED REACTION TO
A ROGUE WAR VET'S THREAT OF ASSET SEIZURE

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11. (SBU) On April 24 the government press carried a statement by Zimbabwe National Liberation War Veteran's Association Director for Projects, Andrew Ndlovu, that attacked resident Indians and Asians, accusing them of economic sabotage, looting, and non-support of the Government's indigenization and redistribution efforts. Ndlovu accused the long-resident communities (which started after WW II and swelled in the 1960's and 1970's) of buying large amounts of urban real estate in the early 1980's when the majority of whites left, and now charging exorbitant rents and operating businesses that exploit blacks, through both high prices and poor wages. He declared "Operation Liberation," which ordered them to surrender "a certain portion of their land, to desist from illegal currency dealing on the parallel market, reduce exorbitant rentals, bank their money in locally-owned banks, and improve the wages and working conditions of their workers. Nothing will stop us from reclaiming commercial land which is also our birthright, and all barriers of imperialism will be removed forcefully," Ndlovu proclaimed.

12. (SBU) Two days later on April 26, in an obvious display of a lack of coordination and command, the Association's Acting Chairman, Patrick Nyaruwata, declared that members of the Asian and Indian community should ignore Ndlovu's threats and ultimatums, and that it was wrong for Ndlovu to assume that community members were part of the colonialists. "The Asians also suffered during the years of oppression as they were treated like second-class citizens together with blacks. The Indian community has been with us since the early years of the struggle, and most of them supported us during the formation of ZANU and ZAPU and so it is not fair to condemn them when they have been partners." Ndlovu's muttered response during a radio interview later that day was that the Chairman had apparently been bribed, and on April 29 the veterans association held a meeting with representatives from the Indian community to again reassure them of their common cause and linked patriotism. Ndlovu, who was directed to attend the pow-wow, only made utterances on the war vets' role in the redistribution of farming land, and withheld further comments on his thwarted urban ambitions.

13. (SBU) Mission Econ and Commercial officers have informally contacted representatives in the Asian and Indian business communities and have been told that their concern level is not particularly high. An Indian who heads up the major Mitsubishi auto dealership here said that he has too many ZANU-PF customers to get concerned, and is much more worried about inflation, the parallel market rate and the food shortage. Most of the others we contacted view the situation pragmatically, and one said that if it means the handout of a couple of free cell phones a month - well, it's just another cost of doing business. Another said that they (the Indians) have friends and contacts in many places and that Ndlovu is clearly in over his head. "The troubles that we face in Zimbabwe are much less so than in much of the rest of Africa, and while the whites are still here we can carry on. When they are all gone we may have to make different arrangements, but for now we shall continue to operate our businesses. Ndlovu has been told to drop the matter, and if he has any brains will do as he is told."

14. (SBU) Comment: Pragmatism and a degree of plasticity regarding business and operating rules has

allowed both the Asian and Indian communities to sail relatively unscathed to date through this latest, low-level attempt at rolling out a variant of the ruling party's indigenization program. Both communities have been on the ground for a long time and seem to realize when legal principles can be relied on and when other operating methods may be more productive. For now at least, it seems that someone in government has weighed the costs and benefits of targeting Asian or Indian assets, and decided to move on in search of an easier score. In addition, the War Vets Association has been beset by internal power squabbles, and Ndlovu was probably trying to get his name in the papers and burnish his "revolutionary" credentials ahead of the war vets' congress later this year.

15. (SBU) It is noteworthy that the GOZ never took a position on the war vet threat, but let the war vet leader put down his subordinate. A different interpretation of events would be that the Indian/Asian community was warned to provide more "kickbacks" and will duly comply or suffer the consequences.

16. (SBU) For what it's worth, the Indian High Commissioner told the Ambassador that no one in the Indian community here had raise the issue with him, nor he with the GOZ, indicating that Ndlovu's bluster is probably not a major preoccupation within Asian/Indian circles. End Comment.

Sullivan